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THE SECRETARY OF DEFENSE
WASHINGTON

Executive Registry

76-102954

October 21, 1976

file

The Honorable
George Bush
Central Intelligence Agency
Washington, D. C. 20505

Dear George:

Thanks for your note. I fully agree with you on the value of that meeting.

Attached is an article from the Boston Globe which talks about PFIAB. Some additional individuals' names are sprinkled throughout this article. A number of those individuals are knowledgeable about Backfire, including Graham. I don't have any reason to suspect that that was the problem area, but, on the other hand, you asked what I heard and I had heard speculation to that effect. I honestly do not know.

Sincerely,

Donald Rumsfeld

N10 (Hebrew)
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BOSTON GLOBE
20 OCTOBER 1976(21) Pg 1

Special unit analyzing US spy data

By William Beecher
Globe Washington Bureau

WASHINGTON — Concerned that the intelligence community may have significantly understated the threat of the Soviet military buildup in recent years, a presidential advisory group has commissioned an independent analysis by outside experts.

Well-placed sources say the unusual study was ordered by the President's Foreign Intelligence Advisory Board after comparing the official summaries of the last two years' National Intelligence Estimates against voluminous backup material. The summary conclusions often were "softer" than the detailed analysis on which they were based, the sources said.

The annual National Intelligence Estimate is regarded as the single most important document the President and other top Administration officials use to base judgments ranging from how much to spend on strategic missiles and tanks, to what options can be considered in arms control negotiations.

Referred to by its initials within government, the NIE is a joint product of the intelligence community.

The outside study group is headed by Harvard Prof. Richard Pipes, a specialist in Soviet affairs. It is charged with coming up, by Nov. 7, with a parallel NIE executive summary for 1976 and recommendations for ways to minimize institutional bias in the existing analytical process. The executive summary of the NIE is prepared annually because senior government officials don't have time to read the entire report. The summary is usually about 15 pages long.

Besides Pipes, others reportedly involved in the study include Paul Nitze, former Deputy Secretary of Defense, Navy Secretary and State Department policy planner; Lt. Gen. Daniel Graham, recently retired director of the Defense Intelligence Agency (DIA); Gen. John Vogt, retired ex-commander of the Air Force in Europe and one time staff director for the Joint Chiefs of Staff; Prof. William Van Cleave of the University of Southern California, a one time member of the United States' SALT delegation, and John Paisley, retired analyst for the Central Intelligence Agency (CIA).

THURSDAY MORNING, 21 OCTOBER 1976
CUTOFF - CONTINUED

time—at 7:30 P.M.—all three networks carried it live and in its entirety. No news conference by Mr. Carter, before or since, has been televised in that manner. [Page 44.]

But most officials, including Secretary of State Henry A. Kissinger, believe that if further diplomatic progress toward a Middle East settlement is not achieved next year, pressures in the Arab world will mount for another war.

The Middle East figured heavily in the news conference for several reasons. Mr. Ford was asked about the comments by Gen. George S. Brown, Chairman of the Joint Chiefs of Staff, that Israel was more a military burden on the United States than a blessing.

He was also given a chance to respond again to Jimmy Carter's remarks during the last debate in which the Democratic candidate said he would regard another oil embargo as "an economic declaration of war" and would respond if he was President by cutting off all American trade including food, to the Arab states involved in such a move.

President Seems Primed

In the debate, Mr. Ford never replied to Mr. Carter's threat, but when he was asked to comment today he seemed primed, both in substance and to achieve political effect.

Asked how he would react to the imposition of another boycott by Arab oil producers similar to the one imposed in 1973-74, Mr. Ford said:

"My answer would be that I would not tolerate an Arab oil embargo, but I add very quickly in the current atmosphere, because of the leadership of the Ford Administration, you aren't going to have an Arab oil embargo."

He said that the two interim Israeli-Egyptian accords had produced a situation in which "the Arab nations on the

called upon a variety of experts, in and out of government, to seek their opinions on the implications of key Soviet defense programs.

The sources say the group discovered, for example, that there was no mention of the Soviet civil defense effort in the official Executive Summary for any of the 10 years ending in 1974, even though a multibillion-dollar Soviet effort had been underway during that period. A crash study, by CIA and DIA, is now attempting to analyze the portent of that program.

The group also learned that recent NIE reports have said there was no way the Soviets could gain strategic superiority over the United States in the next 10 years, regardless of what the United States did in its own defense programs. Such an estimate could have major impact on what programs the United States pursues and with what sense of urgency or equanimity.

The Pipes group is believed to be considering accommodation to move the staff involved in drawing up the NIE out of CIA headquarters and make it directly responsible to the President, rather than the director of Central Intelligence.

one hand and Israel on the other trust the Ford Administration."

"You won't find among Arab nations today the same attitude that prevailed at the time of the Yom Kippur war," he said. "You won't find the possibilities of another Middle East war today that you had in 1973."

"So, the probabilities of an Arab oil embargo are virtually nil because of the leadership of this Administration," he said.

Mr. Ford then took a political swipe at Mr. Carter by adding that "I do not agree with the proposed recommendation of Mr. Carter, if there was one."

"He said he would cut off food, he would cut off trade, he would cut off military arms," Mr. Ford asserted. "I think we can avoid any Arab oil embargo and not have to resort to cutting off food that American farmers have produced and sell abroad in order to help our economy here at home."

DISPUTE - CONTINUED

initiated a revision of his country's agreements with the United States.

Talks between Athens and Washington were close to success last winter, but then the United States agreed to give Turkey more than \$1-billion in aid over four years, in exchange for American bases on Turkish soil. In turn, Greece then demanded a similar deal. In April, Athens agreed to a package of \$700 million in aid over a number of years, but the details are still being worked out.

Cosmetic Changes Are Made

The United States maintains four key installations here—an air base in Athens, a communications station at Nea Makri, and two Cretan facilities, an air base at Suda Bay and an electronic monitoring station at Herakleion. The Greek Government wants to keep those bases, but it also wants an agreement that it can defend diplomatically.

Accordingly, many cosmetic changes are being made for their public-relations value. All four installations will be placed under Greek commanders and most American signs, flags and guards will be kept out of sight.

Some changes, however, will require painful adjustments for the Americans. Senior American officers will not be as independent; all bases will have fewer American troops with fewer social privileges; at the same time, the bases will have more Greek troops with more access to confidential information and base operations.

"It's their country," an American here said, "and they will be calling the tune."

The Athens political left has alleged that the American bases contain nuclear weapons and make Greece vulnerable to attack. The leftists also charge that the bases serve American, rather than Greek, interests in the Middle East.

Mr. Caramanlis pledged today that the bases would never hold nuclear weapons—those weapons have always been scattered on smaller sites around Greece—and would never be used for any operation without Greek permission.

Analysts here feel that Greece is delaying the final agreement so that it would not present an election-eve triumph to President Ford and Secretary of State Henry A. Kissinger, who is probably the most unpopular man in Greece.

In addition, Athens does not want to offend the large Greek-American communities in New York and Illinois. Jimmy Carter has been making a big pitch for this vote and newspapers here have been hailing him as a friend of Greece.

By postponing its own deal with the United States, Greece has also helped block the Turkish pact, which was presented to Congress last July and never adopted. Mr. Caramanlis has said that he would be happy to see both pacts rejected, since that would preserve the balance of power in the region.

If that did happen, Turkey would probably close down some American installations and relations between Ankara and Washington would deteriorate sharply.

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Executive Secretary

19 Oct 76

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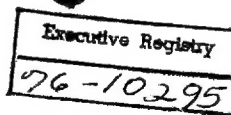
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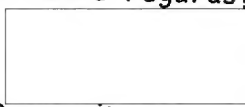
October 18, 1976

Dear Don,

I was concerned about your comments that the leaks on Backfire may have come from PFIAB. I checked with the PFIAB Secretariat and was advised that PFIAB had not been briefed on Backfire. That doesn't mean, of course, that individual members have not received a Backfire briefing. In a discussion on the NIEs, there was some brief mention of Backfire before the PFIAB. I doubt we will ever find where these vicious leaks came from, but I did want to at least run down the possibility that a full-scale PFIAB briefing might have resulted in the leaks.

I enjoyed the visit there at Bill Clements' office the other day. I think a lot was accomplished. There certainly are Community differences on Backfire remaining, but the meeting, in my view, laid to rest a lot of questions about the integrity of the process. This I think is very positive.

Sincere regards,



George Bush

The Honorable Donald H. Rumsfeld
Secretary of Defense
Department of Defense
The Pentagon
Washington, D. C. 20301

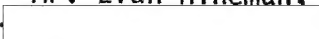
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